

**Instructions to students:**

* This is a take-home examination.
* Please do not write your name, JGU Id or any identification text inside your submission document.
* Please ensure that your submission strictly adheres to JGU plagiarism/ Similarity guidelines.
* Sharing of the answer scripts with each other is not permissible unless results are declared.
* The submissions submitted as drafts on UMS will not be considered for evaluation. Students should make sure the submission submitted on UMS are properly submitted.
* Ensure the submissions are done in a compatible file format pdf, xls, docs etc.

**INSTRUCTIONS**

1. Read the questions thoroughly before answering.
2. Clearly mention the question numbers against your answers.
3. Do not copy the questions.
4. Please reference all relevant legal provisions and cases.
5. While there is no word limit for this paper, concise, well argued, to the point answers are appreciated.
6. **REWRITE THE WORD FILE AS YOUR IDENTITY NUMBERS ONLY (NO NAMES) WHEN SUBMITTING THE SAME.**
7. Please follow the exam office instructions for submission of the answer script.
8. **Ensure that you save your work after completing ever question to ensure that you do not lose your file.**
9. **This paper consists of two parts – Part A & Part B. Please read the instructions carefully for each part and each question before answering.**

**Part A**

**[Total Marks = 60]**

* There are 03 questions of 30 marks each.
* You are required to answer **ANY 02** questions.

1. **(A)** Amrapali’s grandmother Anitha resides at Alleppey. She is 95 years old. Since, Amrapali, works at Mumbai and cannot be there to care for her grandmother every day, she appointed Vinod as Anitha’s nurse and care taker of their estate. Every alternate month she travels from Mumbai to meet her grandmother. With the onset of COVID-19 last year and the consequent nation-wide lockdown, followed by travel restrictions, Amrapali could not visit her grandmother for 10 months. After her first shot of the vaccine, she immediately made arrangements to travel to Alleppey. Upon reaching her ancestral home, she learnt that Anitha has moved to a nearby place of worship. Vinod informs her that her grandma wanted to be near the divine aura of the almighty as the world was ending with this disease. He also tells her that he has purchased the entire estate from Anitha for Rs. 50,000/-. Amrapali is dumbstruck. She cannot believe a property worth Rs.5 crore be/- given away for such meagre amount. Amrapali rushes to meet Anitha, who tells her that her Guruji said to bequeath the property to a young kind man if she wants Amrapali to survive the pandemic and confirm her own place in the heaven. Amrapali doubts that Vinod has colluded with this alleged Guruji. She sues Vinod to undo the contract. Her ground is insufficient consideration. You are a judge presiding on the said case. Decide – whether in the said case, inadequacy of consideration will render the contract void. Give reasons for your decision. **(04 marks)**

**(B)** While the aforesaid legal dispute is going on, the presiding judge summons the Guruji for examinations. The Guruji does turn up. A month later, the alleged Guruji appears at Court and states that, Vinod’s lawyer asked him to appear at the Court. In return he was promised that 90 lacs of the estate will be transferred to him to build a new wing for the rehabilitation and welfare of the migrant laborers who had to suffer immensely because of the national lockdown due to the ongoing pandemic. The Guruji also contends that he even began the construction of a new wing on the faith that the promise of 90 lacs will be honoured. He says he wants to sue Vinod for not keeping his promise. Can the Guruji sue under the Indian Contract Act, 1872? Give reasons for your answer. **(04 marks)**

**(C)** Amidst all these disputes, Vinod opened up a shop in a distant part of the town. He put on display a handful of antiques that came along with the house along with price ticket displayed just behind it.  In another case, he has been charged with offering for sale a Antiques, contrary to the Restriction on Sale of Antiques Act 1992. You are his lawyer. Argue on whether the display of the antiques constituted an offer for sale or not. You are required to support your argument with relevant cases and illustrations. **(02 mark)**

**(D)** The ongoing aforesaid disputes were yet to be settled and Amrapali learns that her Grandmother has gone missing. She is stressed and files a missing complaint. She also puts up this advertisement –

**MISSING SINCE 13 APRIL 2021**

**Anitha A.**

**A picture containing text, vector graphics

Description automatically generated**

95 years old, Height 5’3

Skin – Wheatish, Hair – Silver Grey

**If anyone finds, please call – 9101101101**

**REWARD – Rs. 10,00,000/-**

AWARD AMOUNT HAS BEEN DEPOSITED AT BANK OF ALLEPPEY Acc. No. 6161420

1. Can this advertisement be considered an offer? Give reasons.  **(02 mark)**
2. What kind of offer is it and how can it be accepted? **(04 marks)**
3. A week has passed. Amrapali is deeply stressed. She grows weak from not eating properly. She catches COVID-19 and because of her previous health complications dies. She is survived by her partner Moina and their teenage daughter RajNandini. They come down to Alleppey to hold the necessary rituals and attend to the necessary court proceedings. In the meantime, you find Anitha. It is discovered that she is suffering from the early onset of Alzheimer and lost her way. You call at the number given in the advertisement. You bring the grandmother to Moina and RajNandini. They are happy at their reunion and thank you. You demand your amount or reward and learn that Amrapali has passed away. What happens to the offer? **(04 marks)**

**(E)** Moina and RajNandini understand that the legal battle is going to stretch long and Anitha is too old to travel miles away to a new city. They decide to relocate for these logistical reasons and also to honour the memory of Amrapali. Moina gets the job of a financial consultant in town and purchases a small cottage walkable distance from RajNandini’s new school. Moina gets the locker service at the Alleppey Post Office towards the safekeeping of Lt. Amrapali’s jewels and important documents for a monthly fee of Rs. 150/-. What can you say about the legal relationship between Moina and Alleppey Post Office? **(06 marks)**

**(F)** During one of the appearances at the court, RajNandini constantly whines about how unlucky and unfair life has been to them and doesn’t let you (who is their legal advisor) to concentrate at your job. You finally get annoyed and tell her, “If you don’t complain for the next one hour, I will give you Rs. 5,000.” Is this a valid contract? Give reasons for your answer. **(04 marks)**

1. **(A)** The Government of India came out with a notification that certain industries functioning in the form of a OPC will be exempted from sales tax. Owing to this notification, a lot of new industries came up. Maithili is one of the GenZ entrepreneurs who started an OPC under the Companies Act, 2013 because of this new notification. She took up a loan of considerable amount and is hopeful that given the tax exemption benefit she will be able to repay the principal and interest amount in time. 06 Months later, the government issued a new notification removing this exemption on OPCs of all nature. Maithili, along with a few other OPC starters have come to you for legal advice. Argue the case on their behalf. You are required to support your argument with relevant cases and illustrations. **(02 mark)**

**(B)** Maithili wants to convert her OPC in a private limited company. She also wants her younger brother Rishi, who is still in high school, to be a shareholder in the new private limited company. Rishi is interested as well. He has saved up his pocket money and interested to purchase the shares. Advise her on the legal aspects of these two points i.e. – conversion of OPC and purchase of shares by Rishi. You are required to support your argument with relevant cases and illustrations. **(08 marks)**

**(C)** After the conversion of the OPC into a private limited company ‘Feathery Flites Pvt. Limited’ for the purpose of aerial top-dressing. Maithili qualified herself as a pilot. She went on to hold all but five of the shares in the company. She voted herself the managing director and got herself appointed by the AOA as chief pilot at a salary. She died at air crash while working for the company. Her widower Raghuvir has claimed compensation for the death of his wife in the course of her employment. The company has opposed this claim and has argued that Maithili was not a worker, as the same person could not be the employer and the employee. As a legal counsel for Raghuvir, argue this case. You are required to support your argument with relevant cases and illustrations. **(08 marks)**

**(D)** Feathery Flites Pvt. Limited took a vast plot of land on lease from Mr Sam Clafin. As per the lease agreement it was essential that the land be vast enough to accommodate at least 8000 feet of straight uninterrupted runaway for practice of the pilots. It was later discovered that 1/5 of the land is under protected area, listed by the government and as a result the land cannot be cleared to create 8000 feet of straight uninterrupted runaway. This was not known to both the parties until recently. The runaway stands at 79590 feet. Is there a contract? Give reasons for your answer. **(04 marks)**

**(E)** Feathery Flites Pvt. Limited has recently launched its first IPO and now, wants to change its name to Feathery Flites Limited. Advice on the what are the broad legal requirements. Upon the change of name, comment on the status of the rights & obligations of the company and the status of any legal proceedings by or against. **(08 marks)**

1. (**A)** Samantha Cyrus Poonawala owes a bakery. She specialises in artisan breads, English Pie and her special signature dish Dhansak Patty. Her Dhansak patty is protected under the laws of IPR in India. For her Dhansak Patty, she prepares a special dough with 40% wheat flour, 40% oats flour, 10% cornflour and the remaining a secret ingredient. She always gets her 4:4:1 dough mix from Sean Potter, a farmer and her next door neighbour. They have been doing business with each other for the past 20 years without any formal agreement. Recently, they have decided to draw up a written contract under the Indian Contract Act, 1872. As per the terms of contract, Sean is to deliver the 4:4:1 dough mix to Samantha fresh from the mill every second Saturday and fourth Saturday of every Month. The contract says the strict ratio of the dough and the freshness of the dough is of essence. A delay of 24-48 hours is permitted but the ratio and freshness cannot be compromised. As per the terms of the Contract, Samantha has agreed to pay Rs. 30,000/- per month of the supply of the dough (minus the taxes). Last 02 months, the batch of dough provided has not been up to the mark which has affected Samantha’s business. Upon using her contacts, she learnt that Sean has been providing poor and old quality products to his customers (including Samantha) to cover up the losses incurred during the lockdown. Samantha has herself faced losses due to the pandemic and the lockdown but she is doing her best to provide good quality products. She is furious. Samantha has approached you for legal advice as to what she should do given that Sean has broken his promise. You refer the contract and learn that it is poorly drawn and that there is a meagre compensation of 20 rupees for every failure of providing good quality dough. Advise her under the provisions of the Indian Contract Act, 1872. **(08 marks)**

**(B)** Samantha has been running her bakery under the format of Sole Proprietorship. She does not have enough turn over to form a public / private limited company but she is interested to get the benefits of the company to make her personal assets and liabilities secure from her business, especially in the wake of the pandemic. She has approached you for legal advice in case there is any alternative for her under the Company Law in India. Advice. You are required to support your advice with relevant cases and illustrations. **(06 marks)**

**(C)** Samantha writes an email to Tulika making an offer, “If you agree to agree to provide me cake flour at 300 Rs./- a kilo to be delivered to my bakery at the last working day of every month, I will enter to 5 yearlong formal agreement with you. Payment from my end will be made through bank transfer in 48 hours after the item is delivered. Please respond to this email in a hard copy letter, signed and sealed under your letter head”. Tulika responds to the email back with another email “I agree and I will start sending you the batch from next month onwards”. The delivery of cake flour takes place and Samantha’s assistance who knew about this offer takes the delivery. The payment remains pending for two weeks. Tulika sues Samantha. Is there a contract? Give reasons for your answer.

**(06 marks)**

**(D)** Samantha contracts with Rakesh that she will sell him secret narcotic flavoured bread especially customised for his bar. The agreement is signed. After three batches of delivery, Rakesh refuses to pay Samantha. Assuming that dealing in narcotics in any form and/or manner is banned by law in India. What is the nature of agreement between Samantha and Rakesh - illegal contracts, void contracts or unenforceable by law ? Give reasons for your answer. **(02 mark)**

**(E)** Samantha owed Rs. 10,000/- to Rustom who is her uncle. The debt is 25 years old. She took it for starting her bakery business. As niece and uncle have been very close to each other and on such good terms, they never discussed the repayment of the debt. The debt thus stands time barred under the Law of Limitation in India. With the pandemic in place, Samantha feels sad at and deeply troubled at her uncle’s financial state. She wants to give the money back but a man of honour and because of the love for this niece, Rustom is not accepting a penny back. Nevertheless, Samantha promises to pay to Rustom, Rs. 3 lakhs/- in lieu of the very old debt. While the agreement was being drafted, Samantha gets a sudden attack of unexplained insanity. She recovers and the agreement is in writing and signed. However, three days later after signing the agreement, Samantha catches a peculiar undiagnosed illness and slips into a complete state of insanity. Is there a contract? Give reasons for your answer. **(08 marks)**

**Part B**

**[Total Marks = 40]**

* There are 02 questions of 20 marks each.
* You are required to answer **BOTH** questions.

1. Rohini, Shohini and Mohini were all classmates at business school. After graduation, they decide to start a construction business together. They formed a company called ‘Brikks & Pebble’ under the Companies Act, 2013. The Memorandum of Association of the company stated that –

To carry on the business of developing, maintaining, and operating of road, highway project, bridge, expressways, Intra-urban roads and/or peri-urban roads like ring roads and/or urban by-passes, fly-overs, bus and truck terminals, subways, port, inland waterways and inland ports, water supply project, irrigation project, sanitation, and sewerage system, water treatment systems, solid waste management system, industrial parks or any other public facility of similar nature.

Rohini, Shohini and Mohini are all directors of ‘Brikks & Pebble’. You have been appointed as a legal advisor to ‘Brikks & Pebble’. How would you deal with the following matters?

1. Brikks & Pebble enter into a contract with ‘Silver Steels’ to provide steel rods towards their next project at Tuticorin Port latest by 29 November 2018 at the rate of Rs. 55,250/- a ton. It was crucial that the raw materials were supplied by November 2018 as the maintenance work at the port by Brikks and Pebble is to be complete by December 31st, 2018. Silver Steel does not deliver the raw materials at the time specified. In consequence of this, Brikks & Pebble is forced to procure raw materials from another dealer at the rate of Rs 80,000/- a ton. There is delay in starting the maintenance work of the Port and completing the same by the agreed deadline. This also leads Brikks & Pebble to lose their offers with Tuticorin Port which was depended on how well they delivered at the aforesaid maintenance assignment. The directors have called you to discuss on the damages that may be claimed from Silver Steels considering the above facts and circumstances. Advice. You are required to support your advice with relevant cases and illustrations. **(06 marks)**
2. Under the articles ofBrikks & Pebble, all transfer of shares needs to be approved by two directors of the company. A particular transfer of shares took place to one person named Eve. The said transfer was approved by Rohini & Shohini on 27 February 2020. Eve and Rohini have been neighbours for 17 years and have grown up together. Eve knew that Rohini has been under medication for sudden onset of Minor Schizophrenic attacks and was in the process of recovery. Mohini learns about the transfer of shares and raises question. She says that this transfer does not stand as Rohini stood disqualified due to her ill health. The requirement of transfer have not been met as per the AOA of Brikks & Pebble. Eve has sued the company alleging that she is unaware about the internal workings of the company and that the transfer must be honoured. Argue on behalf of Brikks & Pebble. You are required to support your argument with relevant cases and illustrations. **(06 marks)**
3. The company employed Yamini as their Additional Chief Architect. Her employment contract had a clause that prohibits her from setting up a competing business 02 years from her day of effective resignation at ‘Brikks & Pebble’. For the purpose of this question, it is to be assumed that the restrictive clause in the employment contract is reasonable under the laws in India. Due to irreconcilable difference in opinion with the directors, Yamini resigns with effect from 31 March 2019. 01 April 2020, Rohini learns about a new competitor in the state ‘Stones & Sticks’. Their MOA reads as –

To carry on the business of developing, maintaining, and operating of Export Promotion Parks, Software Technology Parks, Electronic Hardware Parks, Bio-Technology Parks, and other industrial parks either individually or as a joint venture with any company/ firm/individual/consultant whether local or foreign.

Upon investigation it is revealed that Yohan is the managing director of ‘Stones & Sticks’ who is Yamini’s brother. Further, investigation reveals that Yamini and her partner Kostuv are shareholders in this new company. Do you see any possible cause of action? Give reasons for your answer.

**(08 marks)**

1. **(A)** A robbery takes place and printing plates are stolen. Businessman Keerti goes to a hotel owner, Vikram claiming to have been behind the robbery. He offers Vikram €1.5 billion in counterfeit currency in exchange for €500 million real banknotes. Vikram agrees and borrows the €500 million from a billionaire Armaan, who has been his friend for years & is also a maternal cousin, 7 generations removed . It is then revealed that Keerti never stole the printing plates, and was conning Vikram. Now, unable to return Armaan's money, Keerti is forced to give Armaan control of five hotels that he owns in Madurai, Tamil Nadu. Assuming that the Indian Contract Act, 1872 is applicable, address: whether there is a contract between Keerti and Vikram? Give reasons for your answer. **(02 mark)**

**(B)** Pitying at the state of Vikram, Arman decides to enter into an arrangement with him. They decide that Vikram’s son (Colin) and Arman’s daughter (Raya) will be married to each other. As per the arrangement, the first child that Colin and Raya will bear shall inherit all the business of Vikram and Arman, when the child turns 21 years old. Until then, the couple will remain as care-takers of the entire business. When the couple’s first and only child, Jaya turns 21, Colin refuses to give away his father’s share of the business as inheritance. Colin wants his son from his first marriage to inherit the ancestral business. He argues that the arrangement between Vikram and Arman does not stand. Jaya has sued her father Colin. Colin is arguing that –

* Jaya does not have cause of action because she is not a party to the contract between Vikram and Arman.
* There was undue influence in the creation of the contract between Arman and Vikram.

Argue on behalf of Jaya on the aforesaid two points. You are required to support your argument with relevant cases and illustrations. **(12 marks)**

**(C)** With the ongoing court case, Jaya is extremely stressed. This takes a toll on her as she has to confront her father and brother not only in the court room but also in their home estate. The tension at the work place and at home drives her to seek professional help from Maximus, a well-known therapist in the city. Jaya starts talking to Maximus about how she isn't interested and doesn't feel appropriate as this is her family. A part of her conscience hurts as she is going against her father, Colin and older half-brother Faiz. Maximus suggests that her inner peace is important over these materialistic gains and she has the strength to rise above this. Maximus suggests she may reconsider and withdraw from the legal battle. Jaya gets to know about a rumour that Maximus and Faiz have been dating each other over a year. She confronts Maximus at her next session, “If you do not deny it, I shall assume you do not know my older half-brother, Faiz”. Maximus remains quiet and they proceed with the scheduled session. 02 weeks later, Maximus and Faiz meet at a charity event and begin courting each other. Over a couple of weeks, Jaya tells Maximus “What you had said earlier, about rising above all this materialistic gains, has been with me ever since and I will enter a new agreement to end this feud.” Jaya draws up a new agreement stating that she is giving away the prospects of all her claims on the concerned ancestral property for her brother’s welfare and the peace of the family (written, registered, signed & sealed). After a couple of weeks, Jaya learns (from their chief butler running their home estate) about the relationship between Faiz and Maximus and that they are planning to enter into a civil partnership. She is furious. She has sued Faiz. She is claiming -

* There is no contract as there is no consideration.
* There is no contract because consent was not free. There was fraud.

Argue on behalf of Faiz to honour the contract. You are required to support your argument with relevant cases and illustrations.

**(06 marks)**